



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

November 3, 2009

Transmitted Via Email

Paul Nahm, Director of Training  
District Council 16 Northern California  
Journeyman and Apprentice Training Trust Fund  
3393 Arden Road  
Hayward, CA 94545  
[pnahn@dc16jattf.org](mailto:pnahn@dc16jattf.org)

Dear Mr. Nahm:

**RE: FINAL MONITORING VISIT REPORT for DC16 Training Trust - ET08-0187**

<b>Date of the Visit:</b>	10/30/09
<b>Beginning/Ending Time:</b>	10:00 a.m. – 12 noon
<b>Date of Last Monitoring Visit:</b>	01/28/09
<b>Visit Location:</b>	Hayward, California
<b>Persons in attendance:</b>	Paul Nahm, DC 16 Derrick Okubo – Strategy Workplace Communications (Admin Subcontractor) Lily Lai – Employment Training Panel
<b>Action Required:</b>	No

## CONTRACT INFORMATION:

<b>Term of Agreement:</b>	09/05/07 – 09/04/09	<b>Agreement Amount:</b>	\$232,685
<b>Training Start Date:</b>	01/26/08	<b>No. to Retain:</b>	265
<b>Date Training must be Completed:</b>	06/05/09	<b>Range of Hours:</b>	Jobs 1 & 4: 24 – 40 Jobs 2 & 3: 24 – 80
<b>Type of Trainee:</b>	Retrainees and New Hires	<b>Weighted Ave. Hours:</b>	Job 1: 40 Job 2 & 3: 65 Job 4: 32

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### **FINAL REPORT SUMMARY**

The Agreement was executed on November 9, 2007. No revisions were processed during the Agreement term.

Job #	Trainee Type	Planned to Retain	Completed Training and Retention	Reimbursable Hours Tracked on the ETP Class/Lab System	Approximate Potential Earnings
1	SET Frontline Workers	175	42	1,008	\$18,221*
2	SET Multi Barriers Retraitees	15	-0-	-0-	-0-
3	SET Multi Barriers New Hires	60	-0-	-0-	-0-
4	Welfare to Work	15	-0-	-0-	-0-

\*This is an estimate as Mr. Okubo is still in the process of verifying retention information with the participating employers.

According to the data in the ETP Class/Lab Tracking System, training started on January 28, 2008, and ended on April 17, 2008. Mr. Okubo stated that there were several classes held after April 17, 2008, but he did not enter them into the tracking site because the individuals who attended did not acquire the minimum number of hours for reimbursement. Based on the 1,008 hours recorded for trainees meeting the minimum hours, your company can potentially earn \$18,221 which represents 7% of the Agreement amount.

### **INTERVIEW WITH CONTRACTOR REPRESENTATIVE**

Mr. Nahm stated that although nearly 160 Job 1 workers attended classes, only 42 (26%) completed at least 24 hours. He cited several reasons for the low completion rate: 1) workers' irrational fear of possibly pricing themselves out of the market if they become too skilled, 2) workers do not want to attend training on their off day, and 3) workers do not want to take time off a job to attend training.

Jobs 2 and 3 were formed to provide pre-apprentice training to currently employed workers with multiple barriers and new hire employees to demonstrate employability and pass the apprenticeship entrance exam. However, this program was relegated to a low priority in 2008, when the International District Council mandated journeymen training a priority. In addition to the journey level worker training, apprentice training needs were also rising. Much of the training facility and resources were centered on those two training programs.

The Welfare to Work component was required by ETP. Although DC16 had a recruitment plan in place, not much attention was directed at this portion of the ETP Agreement.

Mr. Nahm believes training is valuable because an improved workforce is an asset in a competitive marketplace.

### **ATTENDANCE ROSTERS:**

At this visit, Ms. Lai randomly selected and reviewed the attendance records of 12 trainees who have completed the minimum number of training hours. The review of the training records revealed that they were completed correctly and complied with ETP record keeping requirements.

Please be advised that these findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Further that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442)]

**AUDIT:**

DC16 will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Lily Lai at 650.655.6934 or [llai@etp.ca.gov](mailto:llai@etp.ca.gov) within ten (10) working days from receipt of this report.

Sincerely,



Rosa Hernandez, Manager  
Sacramento Regional Office



Lily Lai, Contract Analyst  
San Francisco Bay Area Regional Office

cc: Derrick Okubo, Strategy Workplace Communications [derrick@strategy-workplace.com](mailto:derrick@strategy-workplace.com)

Kulbir Mayall, Manager, Fiscal and Certification  
Master File  
Project File

Date report mailed to Contractor 11/19/09